

SUPPLY OF MINES DEPT.

Report of the
**Walker Mining
Company**



SUPPLY OF MINES DEPT.

For the Year Ending December 31, 1926

Walker Mining Company

PLUMAS COUNTY, CALIFORNIA

P. O. and Shipping Point
SPRING GARDEN, CALIFORNIA

Operating Office
KEARNS BUILDING, SALT LAKE CITY, UTAH



(Incorporated under the Laws of the State of Arizona)



CAPITAL STOCK

COMMON—Authorized	-	-	-	1,750,000 shares at \$1.00 per share
Issued	-	-	-	1,749,308 shares at \$1.00 per share



Directors

J. R. WALKER	GEO. BAGLIN	J. O. ELTON	J. B. WHITEHILL
B. R. HOWELL	W. R. WALKER	WILLIAM WRAITH	

Officers

J. R. WALKER, *President*
WILLIAM WRAITH, *Vice-President*
J. O. ELTON, *Vice-President*
J. B. WHITEHILL, *Secretary-Treasurer*

President's Report

Salt Lake City, Utah, March 31, 1927.

TO THE STOCKHOLDERS OF THE WALKER MINING COMPANY:

The following report of H. A. Geisendorfer, Manager of your company, covering the transactions and operations for the year ending December 31, 1926, also the Balance Sheet and Income Account certified by Pogson, Peloubet & Company, Public Accountants of New York, are herewith submitted. For the account of the Mining and Development operations, you will refer to the Manager's report.

Referring to the Income Account, there is shown for Mining and Milling costs the amount of \$967,150.89. Included in this amount is an item of \$62,880.96, being for development of previous years written off during the calendar year 1926. The Income Account shows an operating loss of \$28,533.35 which, if above item for development is considered, would reflect an operating profit for the 1926 operation of \$34,347.61.

Much work was done in prospecting for new ore bodies. The main haulage tunnel was extended over 1500 feet to the north during the year which is permanent work; also the sinking of two three-compartment winzes below the main haulage tunnel, from which winzes levels are now being run on good ore. The south winze is developing two parallel ore bodies, and this winze is 1500 feet south of the winze in the Main or Central ore body.

Through the marketing of broken ore on hand at January 1, 1926, the company reduced its indebtedness to the International Smelting Company during the year in the amount of \$65,000.00, besides paying \$51,474.42 interest on its notes, which now amount to \$845,633.24.

The cost per pound copper and the cost per ton ores treated increased over the previous year due to the lower grade of ore delivered and also to the higher cost during the first nine months. The prospecting and development program which was initiated during the latter part of the previous year, has been continued with success in developing known, and finding new ore bodies.

During the year 1927 it is proposed to sink the winze under the Main ore body two hundred feet deeper; also to extend the main haulage tunnel eight hundred feet further to the north, and upraise to the surface which will explore the new ore body in the north end of the property, which is four thousand feet north of the Main or Central ore body.

The year 1926 was devoted principally to development, there having been 12,115 feet of mining and permanent development work done during the year.

J. R. WALKER, *President.*

Manager's Report

Spring Garden, California, March 31, 1927.

MR. J. R. WALKER, President,
Walker Mining Company,
Salt Lake City, Utah.

Dear Sir: I beg to submit herewith annual report of the Walker Mining Company, covering the period of twelve months beginning January 1, 1926, and ending December 31, 1926.

MINING DEPARTMENT

The tonnage of ore mined during the year was as follows:

Ore, broken	223,840.00
Ore, produced and trammed	255,466.00

CENTRAL ORE BODY

A three-compartment winze is being sunk near the north end of this ore body from the seventh sublevel and has reached a depth of 135.5 feet. A two-compartment raise was driven to the fifth level in the south end, a distance of 175.5 feet, to produce ore from the old stopes and pillars. 105,358 tons of ore assaying 2.24% copper, or approximately 41% of the total tonnage produced came from this ore body.

NORTH ORE BODY

The main supply raise was driven 378.5 feet, completing this raise from the seventh level to 171 feet above the third level and leaving 254 feet yet to be driven. 702.5 feet of drifts and 55 feet of crosscuts were driven on the fourth level; the fifth level was advanced by 186 feet of drift. The sixth level was driven north 203 feet, and a crosscut from the face was extended 146 feet toward the west without results. On the seventh level 565.5 feet of haulage drift was driven on the vein for stoping purposes and the greater part of the stoping was done in this ore body. 117,758 tons of ore assaying 1.53% copper, or approximately 46% of the total tonnage produced, came from this area.

SOUTH ORE BODY

483 feet of main haulage drifts were driven in this part of the mine. A three-compartment winze was sunk 193 feet below the seventh level and a 28-foot raise was driven to connect it with the sublevel. At 150 feet below the seventh level, the eighth level was cut, exposing a short

shoot of ore. 385.5 feet of drifts were driven on this level and a stope started. 31,808 tons of 1.93% copper, or approximately 12.5% of the total tonnage produced, came from this ore body.

MAIN HAULAGE

The main haulage level was driven north 1513.5 feet, to explore ore located by diamond drilling. It is nearing its objective.

DIAMOND DRILLING

Three holes were drilled from the surface, one of which at a depth of 310 feet cut 17 feet of ore assaying 4.12% copper, 5.167 ounces silver and 0.0856 ounces gold. The main haulage level advancing north was within 130 feet of the downward projection of this ore.

DEVELOPMENT

The advances in underground openings for purposes of exploration and development were as follows:

Total drifting, large, feet	1,968.0
Small, feet	1,444.2
Crosscutting, large, feet	63.0
Small, feet	835.5
Raises, large, feet	387.5
Small, feet	472.5
Winzes	305.5
Stations	13.0
Total	5,489.2

MINING

The advances for purposes of mining were as follows:

Large drifts, feet	520.00
Raises, feet	668.50
Finger raises, feet	363.50
Stope raises, feet	507.00
Chute raises, feet	1,441.50
Small drifts, feet	1,178.00
Small crosscuts, feet	317.00
Stope drifts, feet	1,329.50
Stope crosscuts, feet	202.00
Total	6,527.00

CONCENTRATING

The mill has operated satisfactorily during the year and 688.93 tons of ore per day were milled for 363 days.

The mill statistics for the year were as follows:

Ore delivered to the mill, dry tons	250,082.0000
Average grade of ore milled, per cent copper	1.8716
Average tails, per cent1474
Average recovery, per cent	92.6854
Average grade of concentrates, per cent copper	24.3392
Average grade of ore milled, ounces silver8110
Average grade of ore milled, ounces gold0498
Tonnage of concentrates produced	17,823.7400
Tonnage of concentrates reclaimed	66.2200

During the year we recovered and delivered to the smelter, in the form of ore and concentrates:

Copper, pounds	8,818,172.00
Silver, ounces	162,079.77
Gold, ounces	7,478.94

After deductions on smelting contract had been made copper paid for by smelter amounted to 8,195,521 pounds. Cost of producing this copper, after crediting gold and silver contents and including refining charges, was 14.1661 cents per pound. This cost includes development in the amount of \$62,880.96 written off during 1926, but does not include depletion, depreciation, or interest.

TRAMWAY

Concentrates handled during year, tons	18,004.458
Back freight delivered to mine	2,064.080

COSTS

The costs for the year were as follows:

Breaking ore, including development	\$2.4524*
Producing ore6904
Mill operating8685
Tramway (per ton concentrates, \$1.2738)0908
Total operating cost per ton crude ore and concentrates delivered to Spring Garden	\$4.1021

*In this cost is included development cost of \$.2809 per ton that was written off during the calendar year of 1926.

NEW CONSTRUCTION

	Previous	Year 1926	Total to date
Installation of Jeffrey Mine Ventilating Fan		\$ 4,210.95	\$ 4,210.95
Construction of Temporary Bunk House	\$ 1,241.66	2,679.00	3,920.66
Additional Drill Equipment	2,214.01	4,983.48	7,197.49
	<u>\$ 3,455.67</u>	<u>\$11,873.43</u>	<u>\$15,329.10</u>

Very truly yours,

WALKER MINING COMPANY,

By H. A. GEISENDORFER, *Manager.*

Walker Mining Company

BALANCE SHEET—31st DECEMBER, 1926

ASSETS

FIXED:

Mine, Mining Claims and Development.....	\$1,582,167.43	
Plant and Equipment	1,068,028.34	\$2,650,195.77

CURRENT:

Supplies on hand and expenses prepaid.....	141,517.90	
Ores and concentrates on hand—at cost.....	296,147.54	
Accounts Receivable	2,189.26	
Cash	47,129.21	486,983.91
		<hr/>
		\$3,137,179.68

LIABILITIES

CAPITAL STOCK:

Authorized— 1,750,000 shares of \$1.00 each	
Outstanding—1,749,308 shares	\$1,749,308.00

RESERVE FOR DEPRECIATION.....	536,627.22
-------------------------------	------------

NOTES PAYABLE	845,633.24
---------------------	------------

CURRENT:

Interest and Taxes Accrued.....	\$ 17,907.30	
Accounts and Wages Payable.....	107,496.39	125,403.69

SURPLUS ACCOUNT:

Surplus 31st December, 1925.....	187,440.46
Less, adjustment of Development and Depreciation charges to conform to amounts allowed for Federal Income Tax purposes	113,424.51

	74,015.95	
Net Loss for the year ending 31st December, 1926.	193,808.42	119,792.47
		<hr/>
		\$3,137,179.68

We hereby certify that this Balance Sheet shows the financial condition of Walker Mining Company at 31st December, 1926, and that the accompanying Income Account for the year ending that date is correct as stated.

POGSON, PELOUBET & Co.,

Certified Public Accountants.

New York, 2nd March, 1927.

NOTE.—In order to comply with the Government Income Tax requirements for the purpose of computing depletion, additional entries respecting the valuation of the mining property have been recorded upon the books of the company, but being made for tax purposes only the result of such entries is omitted from the current statements.

Walker Mining Company

INCOME ACCOUNT

YEAR ENDING 31st DECEMBER, 1926

Sales of Ore and Concentrates		\$1,109,090.58
Mining and Milling	\$ 967,150.89	
Transportation	119,243.95	
Inventory at beginning of year	347,376.63	
	<hr/>	
	\$1,433,771.47	
Less, Inventory at end of year	296,147.54	1,137,623.93
	<hr/>	
Operating Loss		\$ 28,533.35
Depreciation		113,800.55
Interest		51,474.52
		<hr/>
Net Loss for the year ending 31st December, 1926		\$ 193,808.42